



Health Care Benefits Study

*Prepared for the Committee on Legislative Research
by the Oversight Division*

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Members of the Committee on Legislative Research:

Pursuant to your resolution of June, 1994, we have concluded our study of health care benefits for state employees. Our study focused on the differences between health care plans for state employees.

Overall, we found a variety of benefit packages available in a range of costs. We have included information in our report on the various health care options available as of July 1, 1994. Many changes are scheduled to occur to health benefit plan options for state employees effective January 1, 1995 and should be considered when viewing this report.

The Governor's Commission on Management and Productivity in its August 31, 1994 report recommended the State contract for a study to assess the four different health plans covering employees in the executive branch. The Commission also stated the study should provide recommendations for implementation of various managed care practices.

We hope the information contained in our report will be beneficial to the Committee and to the Members of the General Assembly.

Jeanne Jarrett, CPA
Director

Introduction

The Oversight Division of the Joint Committee on Legislative Research was directed by Committee Resolution to perform a study of the various health care benefits packages available to state employees, for the purpose of determining and evaluating the differences in state employee health plans.

This study was undertaken to provide information to the General Assembly as to whether health benefits are equitable for all state employees, and to provide information regarding the various health care plans covering state employees.

Background

To review and interpret this study of health care benefits an understanding of the basic definitions and terms is needed. The medical plans offered to state employees range from a fee-for-service program (indemnity plan) to comprehensive managed care programs such as health maintenance organizations (HMOs), point of service (POSs), and preferred provider organizations (PPOs). The benefits, deductibles and co-payments, out-of-pocket maximums, and premium levels differ somewhat among the plans.

There are four major health insurance programs offered to state employees in Missouri. The largest is the Missouri Consolidated Health Care Plan with over 38,000 active participants. The Department of Highway and Transportation and State Highway Patrol with over 7,800 active participants, the Division of Employment Security with over 1,800 active participants, and the Department of Conservation with over 1,200 active participants are the other three major health insurance programs. For comparative purposes, Oversight has also included the University of Missouri programs, with over 17,000 active participants, and the Consortium of state universities and colleges, with over 4,200 active participants. The Consortium's members are Central Missouri State University, Harris-Stowe, Lincoln University,

Missouri Western State College, Missouri Southern State College, Northeast Missouri State University, and Southeast Missouri State University.

The health care benefit plans offered to state employees are available in four categories - indemnity plans, health maintenance organizations (HMOs), point of service (POSs), and preferred provider organizations (PPOs). Indemnity plans provide benefits for covered medical services when delivered anywhere and pay for the services to the employee or provider upon meeting the requirements of deductibles of the plan. For example, some indemnity plans pay up to 80% of covered medical expenses subject to an annual maximum out-of-pocket limit to an insured employee.

HMOs, POSs, and PPOs are plans that provide comprehensive managed health care programs. These plans are typically administered by non-government entities and negotiate the cost of covered medical services with medical offices and facilities. Medical services provided by participating medical offices and facilities within a plan's network area may require the employees to make fixed co-payment amounts upon delivery of the services. Services provided outside of the network area or by non-participating medical offices and facilities may require employees to be subject to deductible and co-insurance requirements. In addition, some plans reduce the deductible and co-insurance requirements for employees to encourage their participation with participating medical offices and facilities.

Objectives, Scope, Methodology

The objective of the study is to inform the General Assembly of the various health care benefit plan options that are available to State of Missouri employees and to allow for comparison of these options. The plan options are for those benefits that were available as of June 30, 1994.

The Oversight Division requested information from the four major state employee health care benefit programs. Information was also requested from the University of Missouri and a consortium of state universities and colleges on health care benefit programs that were offered to their employees. Information received included the coverages of the programs,

levels of coverage of the programs, the amount of state contribution, and amount of contribution by the employee. The information has been organized into two sections - State and Employee Contributions for Medical Plan Benefits and Comparison of Major Benefits Provided by State Medical Plans.

Conclusions

Both the state and employee contribution varied from one plan to another depending on the type of coverage selected (i.e. Employees only, Employee and Spouse etc.). For employee-only coverage the state contribution per employee ranged from a low of \$32.40 per month per employee, to a high of \$237 per month per employee. Employee contributions for employee-only coverage ranged from \$0 to \$87. This illustrates that there is a wide variance in the contribution rate among state medical plans.

Research revealed that health insurance options for state employees and the cost of those options depends on where the employee lives. HMO and POS plans do not regard Missouri as a single area. Generally employees who live in Kansas City and St. Louis areas have more types of plans to choose from.

Employee cost also varied for the same coverage within MCHCP depending on the employee's place of residence. The MCHCP determines costs to employees using relative costs for health care plans offered in each region. The lowest cost plan in a region becomes the "no cost" option for employee-only coverage and employee costs for other plans increase as the relative cost of other plans compared to the lowest cost plan increases.

While Oversight did not concentrate on defining the differences in covered services, certain benefits offered only to the Department of Corrections came to our attention. Employees of the DOC are part of MCHCP; however, the DOC provides its employees with Hepatitis B vaccine and the Tuberculosis Skin Test at no cost. The Tuberculosis Skin Test is mandatory and performed annually on each Department employee in her or his birth month.

SECTION 1

STATE AND EMPLOYEE CONTRIBUTIONS FOR MEDICAL PLAN BENEFITS

The following tables illustrate the required contribution by both the State of Missouri and an active employee to be a participant in a state sponsored medical plan. The tables illustrate a contribution rate or in some cases a range of contribution rates for each plan, which reflect the variety of options available.

The medical plans each offer a variety of different options:

Missouri Consolidated Health Care Plan (MCHCP)

Central Area Indemnity Plan	Eastern Area Blue Choice HMO
Eastern Area Indemnity Plan	Western Area Blue Choice HMO
Western Area Indemnity Plan	Eastern Area Partners HMO
Eastern Area PruCare HMO	Eastern Area Physicians Health Plan HMO
Western Area PruCare HMO	Western Area Humana HMO

Division of Employment Security

GenCare Sanus Health Plan
Humana Health Care Plan - HMO
Healthy Alliance - Kansas City Area
Group Health Plan - HMO
Principal Health Care of Kansas City - HMO

Highway Department and Highway Patrol

Indemnity Plan

Department of Conservation

\$500 Deductible Plan
\$1,000 Deductible Plan

University of Missouri

Point-of-Service
Catastrophic Plan
Out-of-Network Area
Gencare/Sanus HMO:
All Campus Locations

Group Health Plan HMO:
St. Louis Area Only
Humana Prime HMO:
Kansas City Area Only
\$250 Deductible Non-Network

Consortium

Network Plan

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EMPLOYEE ONLY		
PLAN	STATE CONTRIBUTION	EMPLOYEE CONTRIBUTION
MCHCP	\$237.00	\$0.00 - \$40.00
Division of Employment Security	\$135.00 - \$143.43	\$45.00 - \$55.59
Highway Department & Highway Patrol	\$172.00	\$0.00
Department of Conservation	\$107.41 - \$130.50	\$71.60 - \$87.00
University of Missouri	\$32.40 - \$106.44	\$16.20 - \$63.06
Consortium	\$163.20	\$0.00

EMPLOYEE AND SPOUSE		
PLAN	STATE CONTRIBUTION	EMPLOYEE CONTRIBUTION
MCHCP	\$237.00	\$89.86 - \$183.67
Division of Employment Security	\$264.86 - \$306.41	\$88.28 - \$125.82
Highway Department & Highway Patrol	\$267.00	\$90.00
Department of Conservation	\$209.95 - \$232.18	\$139.97 - \$154.79
University of Missouri	\$69.00 - \$226.56	\$34.48 - \$166.16
Consortium	\$163.20	\$207.67

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EMPLOYEE AND CHILDREN		
PLAN	STATE CONTRIBUTION	EMPLOYEE CONTRIBUTION
MCHCP	\$237.00	\$38.64 - \$101.78
Division of Employment Security	\$220.35 - \$259.34	\$73.45 - \$86.45
Highway Department & Highway Patrol	\$267.00	\$90.00
Department of Conservation	\$209.95 - \$232.18	\$139.97 - \$154.79
University of Missouri	\$43.88 - \$181.36	\$21.94 - \$125.28
Consortium	\$163.20	\$110.45

EMPLOYEE, SPOUSE AND CHILDREN		
PLAN	STATE CONTRIBUTION	EMPLOYEE CONTRIBUTION
MCHCP	\$237.00	\$124.49 - \$245.45
Division of Employment Security	\$306.41	\$154.66 - \$236.55
Highway Department & Highway Patrol	\$267.00	\$90.00
Department of Conservation	\$209.95 - \$232.18	\$139.97 - \$154.79
University of Missouri	\$83.20 - \$273.16	\$41.58 - \$213.56
Consortium	\$163.20	\$311.51

SECTION 2

COMPARISON OF MAJOR BENEFITS PROVIDED BY STATE MEDICAL PLANS

A comparison of the major benefits offered by the different state medical plans is illustrated in the tables that follow. While these tables do not show all of the benefits that the state medical plans offer, it does show the high cost items. The benefits listed are also those which plan participants would examine closely when deciding among insurance plans.

Missouri Consolidated Health Care Plan

Plan	Deductible (Calendar year)	Out-of-Pocket Maximum*	Hospital		Emergency Room	Surgery
			Inpatient	Outpatient		
Central Area Indemnity Plan	\$300 individual \$600 2 member family \$900 3 member family or more	\$7,800 individual \$15,900 family	80% after deductible 90% after deductible (PPO)	80% after deductible 90% after deductible (PPO)	80% after deductible 90% after deductible (PPO)	80% after deductible 90% after deductible (PPO) 50% after deductible with no second opinion
Eastern Area Indemnity Plan	\$300 individual \$600 2 member family \$900 3 member family or more	\$7,800 individual \$15,900 family	80% after deductible 90% after deductible (PPO)	80% after deductible 90% after deductible (PPO)	80% after deductible 90% after deductible (PPO)	80% after deductible 90% after deductible (PPO) 50% after deductible with no second opinion
Eastern Area Pru-Care HMO	\$0	None	No Charge	\$15 co-pay	\$50 co-pay (waived if admitted)	No Charge**
Eastern Area Blue Choice HMO	\$0	None	No Charge	\$10 co-pay for physician visits \$5 co-pay for other procedures	\$50 co-pay (waived if admitted)	No Charge**
Eastern Area Partners HMO	\$0	Not Applicable	No Charge	\$10 co-pay	\$50 co-pay (waived if admitted)	No Charge**
Eastern Area Physicians Health Plan	\$0	Not Applicable	No Charge	\$10 co-pay	\$50 co-pay (waived if admitted)	No Charge**
Western Area Indemnity Plan	\$300 individual \$600 2 member family \$900 3 member family or more	\$7,800 individual \$15,900 family	80% after deductible 90% after deductible (PPO)	80% after deductible 90% after deductible (PPO)	80% after deductible 90% after deductible (PPO)	80% after deductible 90% after deductible (PPO) 50% after deductible with no second opinion
Western Area Pru-Care HMO	\$0	None	No Charge	\$15 co-pay	\$50 co-pay (waived if admitted)	No Charge**

Western Area Blue Choice HMO	\$0	None	No Charge	\$10 co-pay for physician visits \$5 co-pay for other procedures	\$50 co-pay (waived if admitted)	No Charge**
Western Area Humana HMO	\$0	Not Applicable	No Charge	\$25 co-pay	\$25 co-pay (waived if admitted)	No Charge**

*Includes deductible and coinsurance, but not co-pays. Eastern Area - Blue Choice HMO; Eastern Area - Partners HMO; Western Area - Blue Choice HMO; and Western Area - Humana HMO also include co-pays as part of the out-of-pocket maximum.

**Outpatient procedures are subject to office visit co-pays.

**Missouri Department of Labor & Industrial Relations
Division of Employment Security**

Plan	Deductible (Calendar year)	Out-of-Pocket Maximum*	Hospital		Emergency Room	Surgery
			Inpatient	Outpatient		
GenCare Sannus Health Plan Point-of-Service**	\$0	\$650 individual \$1,500 family	No Charge	No Charge	\$50 co-pay (waived if admitted)	No Charge
Humana Health Care Plan HMO Point-of-Service**	\$0	\$200 individual \$500 family	No Charge	\$25 co-pay	\$25 co-pay (waived if admitted)	No Charge - Inpatient \$25 co-pay Outpatient
Group Health Plan HMO**	\$0	Not to exceed 200% of Total Annual Premium	100%	100%	\$50 co-pay (waived if admitted)	100%
Principal Health Care of Kansas City, Inc. Select Plan HMO**	\$0	\$2,000 individual \$4,000 family	\$100 co-pay with a maximum of \$300 co-pay	\$10 co-pay for lab and x-ray \$50 co-pay for ambulatory surgery	\$50 co-pay (waived if admitted)	Inpatient \$100 co-pay Outpatient \$50 co-pay
Health Alliance - KC Select Program Point-of-Service***	Network individual \$300 family ****	Non Network individual \$300 family ****	Network	Non Network	Network	Non Network
			Inpatient 90% after deductible	Inpatient 80% after deductible	90% after deductible	80% after deductible
			Outpatient 90% after deductible	Outpatient 80% after deductible		Outpatient 100% - No deductible or co-pay

***Includes deductibles and coinsurance, but not co-pays. Health Alliance - KC does include co-pays as part of the out-of-pocket maximum.**

****The deductible and out-of-pocket limits are the same for both network and non-network providers. Services provided by non-network providers will only be covered in cases of medical emergencies.**

*****Preauthorization or reauthorization for inpatient care is required when using non-network providers. Failure to receive authorization will result in a reduction in benefits and a penalty. Only medically necessary care will be covered.**

******Payment of a deductible is not required for the first \$500 in covered expenses incurred due to bodily injury.**

**Missouri Department of Highway & Transportation
Missouri State Highway Patrol**

Plan	Deductible (Calendar year)	Out-of-Pocket Maximum *	Hospital		Emergency Room	Surgery
			Inpatient	Outpatient		
State Highway Patrol Medical Insurance Plan	\$200 individual \$400 - 2 member family \$600 - 3 member family or more	\$1,200 individual \$3,400 - 2 member family \$3,600 - 3 member family or more	80% after deductible	80% after deductible	80% after deductible	80% after deductible **

*Includes deductible and coinsurance, but not co-pays.

**Deductible will be waived and cost of outpatient testing covered 100% if required surgery takes place within ten days of the testing.

Missouri Department of Conservation					
Plan	Deductible (Calendar year)	Out-of-Pocket Maximum*	Hospital		Emergency Room
			Inpatient	Outpatient	
Department of Conservation Medical Insurance Plan	\$500 individual \$1,000 family OR \$1,000 individual \$2,000 family	\$1,500 individual \$3,000 family OR \$2,000 individual \$4,000 family	80% after deductible 90% after deductible (PPO)	100%	80% after deductible 90% after deductible (PPO)
					80% after deductible 90% after deductible (PPO) 100% certain Outpatient procedures

6 *Includes deductibles and coinsurance, but not co-pays.

University of Missouri System

Plan	Deductible (Calendar year)	Out-of-Pocket Maximum*	Hospital		Emergency Room	Surgery****
			Inpatient	Outpatient		
Catastrophic Plan	\$1,500 individual \$3,000 family	\$8,000 individual \$16,000 family	\$300 co-pay per confinement then 80% after deductible**	80% after deductible	80% after deductible	80% after deductible**
Out-of-Network Area	\$250 individual \$500 family	\$1,500 individual \$3,000 family	\$250 co-pay per confinement then 80% after deductible	80% after deductible	80% after deductible	80% after deductible (no deductible applies to Outpatient surgery)
GenCare Sanus HMO All Campus Locations	\$0	\$650 individual \$1,500 family	100%	100%	\$50 co-pay (waived if admitted)	100%
Group Health Plan HMO St. Louis Area Only	\$0	Not Applicable	100%	100%	\$50 co-pay	100%
Humana Prime Health Kansas City Area Only	\$0	Not Applicable	100%	100%	\$25 co-pay (waived if admitted)	100%
\$250 Deductible Non-Network	\$250 individual \$500 family	\$1,250 individual \$1,500 family	1st day room & board deductible then 80% after calendar year deductible ****	80% after calendar year deductible	80% after calendar year deductible	80% after calendar year deductible

	Network	Non Network	Network	Non Network	Net work	Non Net work	Net work	Non Net work	Network	Non Network	Network	Non Network
Point-of-Service	\$0	\$350 individual	\$1,500 individual \$3,000 family	\$3,500 individual \$7,000 family	\$150 co-pay per stay then 80%	\$600 co-pay per stay then 60% after deductible **	80%	60% after deductible	\$50 co-pay (waived if admitted)	\$50 co-pay (waived if admitted) then 60% after deductible	80%	60% after deductible **

*Includes deductible and coinsurance, but not co-pays. GenCare Sannus, Group Health and Humana Prime Health include co-pays as part of the out-of-pocket maximum.

**Precertification required prior to hospitalization or outpatient surgery; otherwise, penalties apply.

***Includes Inpatient and Outpatient surgery.

****Precertification required to hospitalization or Outpatient surgery; otherwise, the 80% coinsurance will be reduced to 70%. If the out-of-pocket maximum has previously been met, the 100% coinsurance will be reduced to 90%.

Consortium
Central Missouri State, Harris-Stowe, Lincoln University
Missouri Western, Missouri Southern
Northeast Missouri State and Southeast Missouri State

Plan	Deductible (Calendar year)	Out-of-Pocket Maximum *	Hospital		Emergency Room		Surgery	
			Network	Non Network	Network	Non Network	Network	Non Network
Consortium Point-of-Service	Network \$250 individual \$500 family	Non Network \$250 individual \$500 family	Network \$1,000 individual \$2,000 family	Non Network \$3,000 individual \$6,000 family	Inpatient 80%	Inpatient 50%	\$50 co-pay per visit then 80%	\$50 co-pay per visit then 50%
			Outpatient 80%	Outpatient 50%			80%	50%

* Includes deductible and coinsurance, but not co-pays.